

**AWARENESS OF CORPORATE SOCIAL
RESPONSIBILITY, DEMOGRAPHICS AND
PERCEPTION OF THE IMPORTANCE OF
SOCIAL RESPONSIBILITY AMONG MUSLIM
JORDANIAN INDIVIDUAL INVESTORS: THE
ROLE OF RELIGIOSITY AS A MODERATOR**

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by

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List of Abbreviations

AFM	Amman Financial Market
ASE	Amman Stock Exchange
AVE	Average Variance Extracted
CBJ	Central Bank of Jordan
CB-SEM	Covariance-Based SEM method
CB-SEM	Covariance-Based SEM method
CFP	Corporate Financial Performance
CIA	Central Intelligence Agency, U.S
CMV	Common Method Variance
CR	Composite Reliability
CSCSP	Consumer Sensitivity Scale
CSP	Corporate Social Performance
CSR	Corporate Social Responsibility
DCs	Demographic Characteristics
DoS	Jordan's Department of Statistics
ESCSP	Employee Sensitivity Scale
GAAP	General Accounting Accepted Principles
GAFTA	Greater Arab Free Trade Agreement
GDP	Gross Domestic Product
IASs	International Accounting Standards
IFAC	International Federation of Accountants
IMF	International Monetary Fund
IRC	Insurance Regulatory Commission
JACPA	Jordanian Association of Certified Public Accountants
JD	Jordanian Dinar 1JD=1.41USD
JEDCO	Jordan Enterprise Development Corporation
JMIT	Jordanian Ministry of Industry and Trade
JNEFI	Jordan Network for Environment Friendly Industries
JSC	Jordanian Securities Commission
LTP	Law of Environment Protection
MR	Multiple Regression
NGOs	Non-Governmental Organizations
NIN	National Identification Number

PLCs	Public Listed Companies
PLS	Partial Least Squares
PLS-SEM	PLS approach to SEM or Component- Based SEM method
PRESOR	Perceived Role of Ethics and Social Responsibility
Q2	Predictive Relevance
QIZs	Qualified Industrial Zones
R2	Coefficient of Determination
SDC	Securities Depository Centre
SEM	Structural Equation Model
SPSS	Statistical Package for the Social Science
SPSS	Statistical Package for the Social Science
SRPD	Socially Responsible Purchase and Disposal
SRPD	Socially Responsible Purchase and Disposal scale
U.A.E	United Arab Emirates
UKTI	UK Trade & Investment
UNDP	United Nations Development Program
USA	United State of America
USAID	United States Agency for International Development
USD	United States Dollar
WTO	World Trade Organization

List of Glossary of Arabic Terms (Islamic Terms)

Akhlaq	The practise of virtue. Morals.
Allah	The proper name of God in Arabic; the only entity worthy of worship
Aqidah	The Islamic creed (six articles of faith) which consists of the belief in God, Angels, Messengers and Prophets, Scriptures, the Day of Judgment, and Destiny.
Aurat or Awrah	The parts of the body, male or female, must be covered in public but not between spouses, such as, body parts must be concealed of a woman before non-related men.(non-related men means she can marry those men lawfully)
Awqaf	Endowment treasury
Dua	personal prayer, supplication
Hadith	The sayings, deeds and approvals accurately narrated from the Prophet Mohammad (PBUH)
Halal	Legally permissible; permitted, lawful in the shari'ah
Haram	Unlawful or prohibited
Ibada	A worship, in the form of living every aspect of one's life in obedience to Allah
Ibadah	Worship, but not limited to ritual: all expressions of servitude to Allah, including the pursuit of knowledge, living a pious life, helping, charity, and humility, can be considered ibadah.
Iman	personal faith
Islam	A religion based upon the belief that there is only one god, Allah, and that Mohammad (PBUH) is his prophet.
Muslim	A believer in Islam who has submitted to Allah SWT as the only God and Mohammad (PBUH) as his Prophet. One who is embraced the religion of Islam.
PBUH	Blessings and peace be upon him. In the Qur'an Muslims are enjoined to send blessings to the prophets. Therefore after each mention of the name of the Prophet Muhammad there is a blessing that is regarded as compulsory
Qura'n	The holy book of Islam revealed by Allah to the Prophet (PBUH); contains the divine message that Muslims believe to be unaltered since its revelation.

Ramadhan	The Islamic holy month where Muslims fast from sunrise to honor the episodes during which Mohammad received his revelations from God; the ninth month in the Islamic calendar
Rasulullah's	Prophet Mohammad (PBUH)
S.A.W	<i>Ṣalla Allahu ‘alayhi wasallam</i> .May the peace and blessing of Allah be upon him.
S.W.T	<i>Ṣubḥānahu wa ta ‘ālā</i> . Blessed and exalted is He.
Sadaqa	voluntary charity that can be given at any time to anyone
Salaat	The ritual prayer performed five times a day in the direction of Mecca (the birthplace of Prophet Mohammad (PBUH) in Saudi Arabia).
Shari'ah	Islamic law or the Law of Allah (swt). The divine guidance as given by the Holy Quran and the Sunnah of the Prophet Muhammad which covers all aspects of the Islamic faith including practice and beliefs.
Solat fardh	obligatory daily prayer
Sunnah	deed, talked and action of prophet of Islam, Muhammad (PBUH)
Sura	Chapter of the Qur'an
'Ulama'	Islamic religious scholars
Zakat	compulsory charity collected once a year and intended for the needy in the Muslim community, comprising 2.5 % of one's disposable income
Zikir or Dhikr	Remembrance of Allah; spiritual exercise; Muslims believe that the primary function of prophets is to remind people of Allah.

**KESEDARAN TANGGUNGJAWAB SOSIAL KORPORAT, DEMOGRAFI
DAN PERSEPSI KEPENTINGAN TANGGUNGJAWAB SOSIAL DI
KALANGAN PELABUR INDIVIDU MUSLIM JORDAN: PERANAN
KEAGAMAAN SEBAGAI PENYERDERHANAAN**

ABSTRAK

Kajian ini bertujuan untuk mengkaji hubungan diantara kesedaran terhadap amalan Tanggungjawab Sosial Korporat (CSR), dimensi demografik terhadap pelabur-pelabur individu dan perspesi mereka keatas kepentingan tanggungjawab sosial. Kajian ini mengkaji peranan hubungan penyerderhanaan terhadap keislaman. Sebanyak 393 borang soal selidik telah dikumpul oleh pelabur-pelabur individu Muslim di Jordan. Pendekatan Kuasa Dua Terkecil Separa (PLS) perisian pemodelan persamaan struktur generasi kedua digunakan untuk menganalisis hipotesis perhubungan. Keputusan daripada kajian ini menunjukkan bahawa kesedaran amalan CSR mempunyai pengaruh signifikan yang positif keatas kedua-dua dimensi persepsi kepentingan tanggungjawab sosial. Selain itu, kajian ini juga mendapati bahawa kesan signifikan yang positif terhadap umur, jantina dan pendapatan keatas kepentingan etika dan tanggungjawab sosial. Manakala, subordinasi etika dan tanggungjawab sosial mendapati bahawa tiada kesan signifikan daripada mana-mana pembolehubah demografik. Tambahan pula, bagi kesan penyerderhanaan, hanya tujuh daripada 24 hipotesis didapati mempunyai signifikan. Oleh itu, kajian ini menyediakan beberapa implikasi dan cadangan kepada pihak pengurusan organisasi, pemilik dan kerajaan Jordan, ini bertujuan untuk meningkatkan usaha mereka dalam mengembangkan amalan CSR di Jordan.

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ABSTRACT

The present study aims to examine the relationship between awareness of Corporate Social Responsibility (CSR) practices, demographic dimensions of individual investors and their perception of the importance of social responsibility. This study examines the moderating role of Islamic religiosity on these relationships. A total of 393 questionnaires were collected from the Muslim Jordanian individual investors. Partial Least Square (PLS) second generation structural equation modeling software was employed to test the hypothesized relationship. The result of the present study revealed that awareness of CSR practices have significant positive influence on both the dimensions of perceptions of the importance of social responsibility. Further, this study also found the significant positive effect of age, gender and income on the importance of the ethics and social responsibility. Whereas, perceived the subordination of ethics and social responsibility was found no significant effect by any of these demographic variables. Again for moderating effect, only seven hypotheses out of 24 were found significant. Finally, the present study provided several implications and recommendations to the management of the organization, owners and government of the Jordan, aiming to improve their efforts in enhancing the CSR practice in Jordan.

CHAPTER ONE: INTRODUCTION

1.1 Chapter Overview

This chapter provides an overview of the research. First, the background of this study is briefly introduced. Second, the problem statement is explained. Next, research objectives are explained and the main research questions are introduced. Then, the expected anticipated theoretical and practical contributions are explained. This is followed by the discussion on the significance implication of the study, the scope of research and some key terms applied in this research. Finally, the organization of the whole research is outlined.

1.2 Background of the Study

Corporate social responsibility (CSR) has become a global trend and an important topic in academic literature over the last two decades, and this has mark as an important area in business literature (Fatma & Rahman, 2015; Nasir, Halim, Sallem, Jasni, & Aziz, 2015). Currently, humans are more knowledgeable and their values have changed; they are increasingly environmentally and socially aware and demand more from companies than just the efficient production of goods and services (Fuentes-García, Núñez-Tabales, & Veroz-Herradón, 2008). Thus, it is most probably that the importance of CSR will increase in years to come as people become more interested in the social and environmental effects of corporations (Stawiski, Deal, Gentry & Rweyongoza, 2010). Basically, the reason for CSR's ability to gain much importance is that it has received superior emphasis among individual investors (Eccles, Serafeim, & Krzus, 2011; Huang & Kung; 2010). Chiu

(2009) states, in today's world, where CSR is increasingly becoming an important part of how businesses are conducted, it will be beneficial for companies to take note of their individual investors' characteristics and their perception regarding the importance of CSR.

The term CSR is known by numerous terms such as corporate citizenship, corporate responsibility, sustainable responsible business, corporate social opportunity, and corporate social performance (CSP) (Jain, Datta, & Roy, 2014), and similar terms used to identify what companies are purposively doing to try to serve society at large. In this study, the researcher does not deal with the differences and similarities among all these terms and labels. Instead, this study packages them all under the heading of CSR and focus on individual investors and their awareness of these practices. This study use the term "CSR practices" to describe activities by companies, at least in part, to generate benefits for society and not just for the companies and their shareholders.

CSR has brought along many improvements to the business world. CSR has the potential to : improve financial performance; enhance brand image; increase the ability to attract employee and reduce employees' turnover; increase customer satisfaction; improve reputation through gaining trust and support by various stakeholders (AL-Shubiri, Al-abadallat, & Orabi, 2012; Galbreath, 2010; Said, Zainuddin, & Haron, 2009), and more importantly, to attract financial resources from those investors who believed of the importance of CSR to make their investment decision-making (Cheng, Ioannou, & Serafeim, 2014). Empirical studies conducted by Economist Intelligence Unit (EIU, 2005) has noted that number of investors who

consider CSR as important or central in investment decisions has been doubled within five years. This conclusion has been confirmed by other surveys (Cohen, Holder-Webb, Nath, & Wood, 2011; Jaworski, 2007; Louche, 2009).

Many scholars suggest that CSR activities are better understood theoretically and tested empirically when they are organized by stakeholder types (e.g., the environment, community, employees, and customers, etc.), rather than responsibility types (e.g., economic, legal, etc) (Clarkson, 1995; Lindgreen, Swaen, & Johnson, 2009; Turker, 2009; Waddock, 2004). In this regard, CSR activities can span four aspects or practices: the environment, the human resources, the product/services to customers, and the community involvement (Branco & Delgado, 2011; Omar, Al Shaar, & Zalloum, 2014; Soares, Marquis, & Lee, 2011; Suwaidan, Al-Omari, & Haddad, 2004). If this is what CSR is, then the notion of CSR lies at the very heart of the Islamic faith and law. Properly understood, CSR is not a recommendation, but rather an obligation for every Muslim (Taman, 2011, p. 483).

There is a growing belief that the perceived of ethics and social responsibility an indispensable component of business success (Henle, 2006; Porter & Kramer, 2006; Singhapakdi et al., 2001; Sugar, 2007). More importantly, such beliefs could be a catalyst for the enhancement of individual ethical behaviour. Indeed, investors “must first perceive ethics and social responsibility to be important before their behaviors are likely to become more ethical and reflect greater social responsibility” (Singhapakdi et al., 1996, p. 1132). This confirmed also by Kraft (1991), Singhapakdi et al. (1995) and Vitell, Paolillo and Thomas (2003).

The growth of investments in Jordan has allowed the Amman Stock Exchange (ASE) to play a vital role in the economic growth in Jordan. It is also among the strongest stock exchanges in the Middle East region (Omar & Simon, 2011). Al-Qudsi, Obeid, Numan and Kaloti (2008) showed that the contribution of ASE in Jordan's Gross Domestic Product (GDP) in the last quarter of 2007 was the highest (259 percent) among twelve of emerging markets. Moreover, Al-Qudah (2014) found a positive and significant relationship between ASE development and Jordan economic growth during the period of 1978–2012.

The total number of public shareholding companies (PLCs) in ASE in Jordan has increased from 66 in 1978 to 227 in 2006. As on 31 December 2014, there were 268 companies listed on the ASE spread under four main sectors; namely, banks (16), insurance (26), services (151), and industrial (75) sectors (ASE, 2015). Thus, the services sector accounted for 56.34 percent of total sectors.

At the end of 2014, the total number of shares issued by PLCs in ASE in Jordan was 7.6 billion shares with a total market capitalization of JD 18.5 billion (SDC, 2014). Jordanian Individuals' investors accounted for 36 percent of total value; Joint stock companies accounted for 25.9 percent; and financial institutions 22.6 percent; government and semi-government organisations 14.4 percent; and 1.1 percent held by trusts and charitable institutions (SDC, 2014).

Table 1.1 shows that the number of Jordanian individual investors has witnessed a continuously and very important increase over time. There were only around 431,549 Jordanian individual investors who owned shares at the end of 2006.

The number increased to 514,349 in 2009 and to 532,164 in 2013. This indicated a rise of more than 100 thousand investors between 2006 and 2013. As on 31 December 2015, the number of Jordanian individual investors was increased to 539,118.

Table 1.1: Total number of Jordanian Individual Investors in ASE for several years

Development of Jordanian Individual Investors as of 31/12 for 2006-2015			
Year	No. of Jordanian Individual Investors	Yearly Growth No.	Yearly Growth Rate
2006	431,549	-	-
2007	490,349	58,800	13.62
2008	509,683	19,334	3.93
2009	514,349	4,666	0.92
2010	519,386	5,037	0.98
2011	524,988	5,602	1.08
2012	528,738	3,750	0.71
2013	532,164	3,426	0.65
2014	535,853	3,689	0.69
2015	539,118	3,265	0.61

Source: Adapted from Securities Depository Centre, yearly Annual Reports.

Thus, individual investors play a vital role in the stock market (Shafi, 2014), and they still and will remain a necessary part of the corporate share-ownership structure in stock exchange in both developed and developing countries (Chiu, 2009). In Jordan, for example, the Jordanian individual investor remains the most important component in ASE (Al-Fayoumi et al., 2010). There is a conclusion that individual investors do have an important role to play in the financial markets is, expectedly, supported by stock exchanges world-wide which have conducted regular surveys on individual investors to understand their demographics characteristics (Chiu, 2009).

Of late, increasing attention has been paid to CSR in Jordan. Such attention has been manifested by the enactment of the 1995 Environmental Protection Law and the issuance of the 1998 Instructions of Disclosure, and Accounting and Auditing Standards No.1 (Al-khadash, 2004; Suwaidan et al., 2004). Moreover, there has also been an increasing emphasis on CSR in Non-Governmental Organizations (NGOs) (e.g., The Jordan Network for Environment Friendly Industries (JNEFI) and Jordan Enterprise Development Corporation (JEDC)), the media, conferences and forums (Al-Dmour & Askar, 2011; Hindiye, 2007). Despite that such efforts are worthy of praise, the role of laws, regulations and NGOs are weak in CSR issue in Jordan (Abdelrahim, 2014; Hindiye, 2007; Suwaidan et al., 2004).

The extant literature has clearly shown that there is a lack of studies pertaining to this important issue in Jordan (Al-Dmour & Askar, 2011) and, if found, they rarely examined the individual perceptions regarding the importance of CSR (Abdelrahim, 2014; Belal & Momin, 2009). As this trend is continuing (Fifka, 2012) especially in Jordan, reaching to the general conclusion that few studies are focusing on the awareness and perception. In addition, there is a general problem concerning with a lack of concern and highlight for the importance of CSR, resulting in the level of awareness among companies for CSR to remain at a minimal level (Elian; 2005; Hindiye, 2007). In this regard, previous research confirmed that understanding the individual investors' perceptions regarding the importance of CSR is an important step to increase awareness among companies for more CSR practices (Chiu, 2009; Cohen et al., 2011; De Villiers & Van Staden, 2010a).

Previous studies were demonstrated that the demographic characteristics (DCs) of individuals (such as age, gender, education, income, and place of residence) have come into focus in terms of their linkages to the individual's perception toward CSR (Cheah, Jamali, Johnson & Sung; 2011; Marz, Powers, & Queissers, 2003; Quazi, 2003). Age and gender, for example, of individuals are identified as related to the perceived the importance of social responsibility (Singhapakdi et al., 2001; Axinn et al., 2004).

It is argue that better understanding of the predictive power of DCs is critical (Cheah et al., 2011) because, at least, they are readily available, cost-effective and that demographic-based models can be quickly developed and deployed to solve emerging business issues (Sheth, 1974 & 1976; Van Heerde, Leeftang & Wittink, 2000). Although the influence of individual demographic variables on CSR perception is important, however, the empirical research is lack. Chiu (2009) and Cohen et al. (2011) supported that very few studies have investigated the impact of individual characteristics of individual investors on their perceptions towards CSR. In this regard, Cohen et al. (2011) concluded that it appears that demographics characteristics need to be considered in future work.

Consequently, the present study examines the relationship between DCs (i.e., age, income, gender, education and place of residence) and attitudes toward CSR; namely perceived the importance of social responsibility in achieving organisational success. Etheredge (1999) concluded that perceived the importance of social responsibility comprise only two main dimensions. The first dimension is “importance of ethics and social responsibility” gets at what the individual believes

about the relationships between the firm, ethics, and long-run profitability. The second dimension is “subordination of ethics and social responsibility” gets at what the individual believes about the relationships between the firm, ethics, and short-run profitability (Etheredge; Godos-Díez, Fernández-Gago, & Martínez-Campillo, 2011, 1999; Park & Stoel, 2005; Valentine & Fleischman, 2008). According to Axinn et al. (2004) the two dimensions found by Etheredge (1999) can also be conceptualized as stakeholder view and stockholder view.

In addition to DCs, awareness has been found to influence on perceived importance of ethics and social responsibility (Haines et al., 2008). CSR awareness refers to individuals’ knowledge of CSR practices (Du, Bhattacharya & Sen, 2007). Previous studies have demonstrated that awareness of CSR practices (ACSRPs) has positive relation with the individual perceptions of CSR. Du, Bhattacharya and Sen (2007) proposed CSR awareness as antecedent to CSR beliefs. Consequently, CSR awareness has impact CSR beliefs (Sen et al. 2006).

Awareness of CSR is defined as a construct to examine the extent to which the investors are known of the CSR practices of the companies in which they invest (Talha, Sallehuddin, & Masoud, 2013). It is assumed that Individual awareness of CSR is considered to be an exogenous construct (Butt, 2016). The awareness levels of CSR activities are well-accepted in the literature as being important variable in predicting individual perception of CSR (Ali, Rehman, Yilmaz, Nazir, & Ali, 2010; Bhattacharya & Sen, 2004; Ramasamy & Ting, 2004; Walker, Heere, Parent, & Drane, 2010; Wigley; 2008). Wang and Juslin (2012) pointed that CSR awareness level has significantly influenced individuals' perceptions of CSR.

Jordan is a Muslim state and approximately 97.2 percent of the Jordanians are Muslims (The Central Intelligence Agency, 2012). The Islamic religion is the pillar of Jordanian society (Orbach, 2007), and provides guidelines for life with a clear and detailed concept of ethical and social behaviour (Gill, 2011). Muslim investors are assumed to have more concern for social and environmental aspects (Asutay, 2007; El-Gamal 2006). One of the basic principles of the Islam says that human social behavior must ensure up gradation of human morality and the achievement of prosperity not only for themselves but also for their society (Belkacem & Ladraa, 2015). For example, the teachings of Islam call Muslims for assisting the needy people, non-discrimination, equal opportunities, accountability, fight against corruption, and respect of human rights (Elian, 2005).

Recently, religiosity has become an important moderator variable in CSR perception studies (Hopkins et al., 2014; Ramasamay et al., 2010). Brammer, Williams, and Zinkin (2007) cite religious individuals as holding broader conceptions of the social responsibility of businesses than non-religious types. According to the Islamic framework, human beings differ in their level of religiosity (Darrag & El-Bassiouny, 2013). Thus, there is considerable debate among Muslims on the nature as well as the contents of religious commitment (religiosity) that a Muslim must display and adhere to in order to be a Muslim or true believer (Hassan, 2007). Nevertheless, one can argue that the magnitude of religious influence will also vary from person to person for Muslim investors (Mukhtar & Butt, 2012).

This study pays attention on the Jordanian individual investors in Jordan. As such, a sound argument can be made for the existence of a relationship between

independent variables (DCs, and the awareness of CSR practices) and dependent variable (perceived the importance of social responsibility) with Islamic religiosity as moderator variable among Jordanian Muslim individual investors.

1.3 Problem Statement

Despite significant role of individual investors to improve CSR (Chiu, 2009), there is a dearth of sufficient research in this context pertaining to examine individual investors and their perception regarding the importance of CSR (De Villiers & Van Staden, 2012; Penning, 2011; Vyvyan et al., 2007). In this regard, Villiers & van Staden (2010a) conclude that despite the importance of individual investors as a unit of analysis in CSR studies, “we found no surveys of individual investors after 1999 in the major accounting research journals” (p.5). In developing countries context, including Jordan, Yaftian, Wise, Cooper and Mirshekary (2013) believed that individual investor being the main user was absent in studying the CSR and should be examined in the future research. The present study might serve the purpose of understanding individual investor’s perceptions of CSR.

Moreover, according to previous research, a lot of studies concentrate only on customers (Sen & Bhattacharya, 2001), institutional investors (Graves & Waddock, 1994) and employee (Aguilera et al., 2007; Aguinis & Glavas, 2012; Bauman & Skitka, 2012), while less attention is paid to the individual investors although CSR has attracted growing attention. This gap in knowledge is surprising given how well established it is that individual investors attitudes and behavior have far reaching consequences for the overall success of organizations (de Villiers and

van Staden, 2010a; Cheah et al., 2011; Chiu, 2009; Cohen et al., 2011). Thus, it is necessary to concentrate on individual investors in CSR study.

Although the ASE market ownership in Jordan is a composite of individual, institutional and government, individual investors accounted for highest percentage of total value (Alzeaideen & AL-Rawash, 2014; Rousan & Al-Khour, 2005). At the end of 2014, Jordanian Individuals' investors accounted for 36 percent of total market capitalization (SDC, 2014). Beside, their numbers have witnessed a continuously and very important increase over time to reach more than half million at the end of 2014 (SDC, 2014). According to Al-Fayoumi, Abuzayed and Alexander (2010), Jordanian individual investor remains the most important component in ASE. As such, they could be potential engines for CSR improvement in ASE in Jordan (Chiu, 2009; Valor, de la Cuesta, & Fernandez, 2009). However, not much has been written about their perceptions regarding the importance of CSR and their determinants.

The perceived importance of ethics and social responsibility (by an individual) is a topic worth further study. Jordanian individual investors who perceived of the role of ethics and social responsibility to corporate success (both importance and subordination) is likely to be an important determinant of actual decision behavior. Indeed, investors "must first perceive ethics and social responsibility to be important before their behaviors are likely to become more ethical and reflect greater social responsibility" (Singhapakdi et al., 1996, p. 1132). This confirmed also by Kraft (1991), Singhapakdi et al. (1995) and Vitell, Paolillo and Thomas (2003).

Although this issue has concerned business ethics researchers in recent years (Singhapakdi et al., 1995), it has not been explicitly discussed in the accounting literature yet (Shafer & Simmons, 2008). Though numerous studies have been conducted on perceptions of managers and or marketers (Etheredge, 1999; Kraft & Singhapakdi, 1991; Shafer, Fukukwa, & Lee, 2006; Singhapakdi et al., 1996; Singhapakdi, 1995; Valentine & Fleischman, 2008), it was not able to find any studies or information on the perceived importance (by individual investors) of ethics and social responsibility.

However, most existing research on CSR investigates consumer (Auger et al., 2003; Dusuki & Yusof, 2008; Kim & Park, 2009; Lee & Jackson, 2010; Lee, Park, & Pae, 2008; Maignan, 2001; Ramasamy & Yeung, 2009) and, more recently, employee (Abd-Elmotalieb, Saha, & Hamouda, 2015; Lee, Park, & Lee, 2013; Glavas & Kelley, 2014; Rittippant, Tangthuttong, Sinyodyeam, & Aurjongmanee, 2011; Rodrigo & Arenas, 2008). Only a small number of studies look at individual investors' perception towards CSR (Cohen et al., 2011; De Villiers, C., & Van Staden, 2010a) and none of those studies focus on Muslims' perception. This study fills this gap by focusing on individual Muslim investors' perception towards CSR.

To date, the debate surrounding CSR has focused predominantly on the level of organisational analysis in such a way that there has been little fundamental questioning of the role of the individual in promoting CSR actions (Godos-Díez et al, 2011). Therefore, still, not much is known about individuals' perception of CSR and factors likely to influence this understanding (Schmidt & Cracau, 2015). In a direction for further studies, Singhapakdi et al. (1996) pointed out the need to include

in the personal characteristics (e.g. age, gender) to explain differences in the individual's social responsibility attitudes. By doing so, this study tests the direct relationship between awareness of CSR practices and perceived role of ethics and social responsibility.

Moreover, most of the studies on CSR have concentrated on the Western developed countries, and literature on CSR in the Asia Pacific and Middle East is still relatively underdeveloped (Forbes and McIntosh, 2011; Shauki, 2011; Wang & Dou, 2012), and in particular in Jordan is still very rare as well. Supporting this argument, many researchers revealed that there is little research on CSR topic in Jordan (Kokash, Thomas, & Al-Oun, 2011; Al-Farah & Al-Hindawi, 2011; Suvidan et al., 2004). Therefore, Abdelrahim (2014) and AL-Shubiri (2010) stressed the need for further studies on CSR in the context of Jordan. In response to the local research call, this study will examine Jordanian individual investors' perceptions of importance of CSR in Jordan.

Furthermore, though the role of investors in CSR is now thought to be more salient; yet, the relationship between them and CSR has not yet been empirically tested. Kolodinsky et al. (2010, p. 16) discussed that "much of the research is either theory focused or case based, leaving much to be left explored empirically". In this regard, In this regard, Nakamura (2013) suggested that along with the theoretical analyses of the link between investors and CSR, empirical evidences are important that need to be brought under research area. Hence, further theoretical and empirical attention in the relationship between individual investors' factors and their attitudes towards CSR is warranted.

Additionally, in the CSR literature demographic factors are examined widely as either moderators or control factors (Ramasamy & Yeung, 2009; Pérez & del Bosque, 2015). Research on examining the predictive power of demographic variables is felt important (Naseri & Elliott, 2007 and 2011). As such, the explanatory power of demographics is still not well understood or appreciated, particularly at individual investor level hence, further research is needed to address this shortcoming in the literature. Furthermore, except for age, gender, income and education, studies that examined the impact of place of residence on CSR perception are rare and reported finding are inconsistent (Panwar, Han & Hansen, 2010).

Moreover, researchers have also found that examining the relationship between DCs of individuals and CSR perception is still a research gap in the wide spectrum CSR study (Panwar et al., 2010a; Cohen et al., 2011) which need to be approached in future CSR perception research (Schmeltz, 2012). These ideas allow the study to examine the relationship exists between demographic characteristics of investors and their perceptions of the importance of social responsibility.

It is also assumed that individuals must be aware of the company's CSR activities before they can improve CSR belief (Du, Battacharya & Sen, 2007). As such, a CSR belief is an extremely important result of awareness of CSR practices. Heike (2012) predicted that awareness of CSR will lead to customers' CSR belief. Based on these considerations, CSR awareness is a critical factor before perceived on the importance of CSR.

Although many studies have assumed that there is a relationship between CSR awareness and the perception toward the importance of CSR among individual stakeholder (Auger, Burke, Devinney & Louviere, 2003; Maignan, 2001; Mohr, Webb & Harris 2001; Pomeroy & Dolnicar, 2009), little effort has been paid to investigate empirically this relationship (Ahmad & Rahim, 2005; Lee & Shin, 2010). Similarly, Alniacik, Alniacik and Genc (2011) were of the view that research examining the effect of CSR on investor attitude is relatively scarce. Thus, examining the relationship between individual investors' awareness of CSR practices and their perceptions of the importance of social responsibility is justified.

While recent research has made clear that religion can be an important force on the macro level, less is known about the role religion plays on the micro level of the individual (Renneboog & Spaenjers, 2012). However, as Epstein (2002) point out that researchers in areas of CSR have recently begun to examine the role of religiosity in their works. There is an agreement between the academics on a role of religion in CSR, more specifically the role of individual religiosity in Muslim countries (Jamali & Sdiani, 2013). Although previous studies have asserted that religiosity of individual has the ability to play a moderator role for between individual's characteristics and their CSR attitudes (Mazereeuw-van der Duijn Schouten, Graafland, & Kaptein, 2014; Ramasamy et al., 2010). However, this role is not examined yet.

Besides, many studies have shown significant differences in CSR attitudes among religiosity levels (Agle & Van Buren, 1999; Mazereeuw-van der Duijn Schouten, Graafland, & Kaptein, 2014; Quazi, 2003; Ramasamy et al., 2010). Unlike

previous studies, this study focuses on religiosity of Muslim investors as a moderator which might or might not influence to their perceived importance of CSR. Levels of religiosity of Muslim are different (Darrag & El-Bassiouny, 2013). There are many factors which influence to religiosity such as religious education, family background etc.

According to Harun, Mohd Sulaiman, Hassan and Sidi (1991) as cited in Md Idris, Bidin and Saad (2012) viewed religiosity motivations in terms faith (belief), shariah (Islamic law) and akhlaq (ethics). Faith is believe in God, angels, kitab, messengers, days of judgment and qada and qadar which cover the characteristics of truth, goodness, beauty and absolute perfection. Sharia (Islamic law) is the will and desire incarnated from the belief that covers all disciplines, rules and regulations that must be observed, followed and implemented in daily life. Akhlaq is related with moral and ethical behaviors. Therefore, in the lack of a well-developed or convincing body of literature that can clearly articulate the moderation of Islamic religiosity for perceived importance of social responsibility.

Considering the above gaps in the existing CSR literature, this study tries to bridge the knowledge gap by testing proposed relationships between DCs of individual investors (i.e., age, income, gender, and education, and place of residence), awareness of CSR practices and their perceived importance of CSR. In addition, this study will examine the moderation effect of religiosity on the proposed relationships.

1.4 Research Objectives

The main purpose of the research is to study the relationships between awareness about CSR practices, demographic characteristics, and perception of the importance of CSR, with the moderating role of Islamic religiosity on these relationships. To examining these relationships, the study concerns with gathering primary information from Muslim individual investors in ASE in Jordan. Specifically, the objectives of this study are:

1. To examine the relationship between awareness of CSR practices and perception of the importance of social responsibility among Muslim individual investors in Jordan.
2. To examine the relationship between individual investors' demographic characteristics and perception of the importance of social responsibility among Muslim individual investors in Jordan.
3. To examine the moderating effect of Muslim religiosity on the relationship between awareness of CSR practices and perception of the importance of social responsibility among Muslim individual investors in Jordan.
4. To examine the moderating effect of Muslim religiosity on the relationship between demographic characteristics and perception of the importance of social responsibility among Muslim individual investors in Jordan.

1.5 Research Questions

Given the previous explanation on the research problem and objectives, this study pursues to answer the following research questions:

1. Is there a relationship between CSR awareness level and perception of the importance of social responsibility among Muslim individual investors in Jordan?
2. Is there a relationship between demographic characteristics and perception of the importance of social responsibility among Muslim individual investors in Jordan?
3. Does religiosity moderate the relationship between the level of CSR awareness and perception of the importance of social responsibility among Muslim individual investors in Jordan?
4. Does religiosity moderate the relationship between demographic characteristics and perception of the importance of social responsibility among Muslim individual investors in Jordan?

1.6 Significance of the Study

The contributions of this study are significant in terms of theoretical and practical perspectives. As such, the present study is expected to make the following contributions:

1.6.1 Theoretical Contribution

From a theoretical viewpoint, this study has contributed to the existing body of knowledge due to a number of reasons. First, it will explore the issue of perceived importance of social responsibility among individual investors which has not been well addressed in previous studies (De Villiers & Van Staden, 2012). Moreover, it is a significant addition of scarce empirical studies on perceived the importance of social responsibility at the individual level (Shafer, Fukukawa, & Lee, 2007; Singhapakdi et al. 2001). According to Chiu (2009), the success or failure of the organization is dependent on the individual investors because they can impact the organization's activities. Therefore, this study expects to enrich the body of CSR knowledge in general from the external stakeholders' perceptions of CSR specifically by investigating the views of one of key stakeholders in ASE in Jordan, i.e. Jordanian individual investors (Rousan & Al-Khour, 2005; SDC, 2014).

Second, this study has contributed to develop a research framework in the perception of the CSR. A review of the literature reveals the dearth of study on the relationship between awareness about CSR practices, demographic characteristics, perception of the importance of CSR, and the moderating role of religiosity. Consistent with this notion, Axinn et al. (2004) and Singhapakdi et al. (2001) have pointed out to examine potential antecedents of individuals' perception of the importance of ethics and social responsibility such as age and gender. Therefore, this study focuses on the antecedents rather than the consequences of their perceived importance of ethics and social responsibility.

Third, it will focus on a sample of individual investors from Jordan, as a developing country, where few similar studies have been conducted. Although a number of previous studies exist in this context, considering the infancy stage of CSR in Jordan (Abdelrahim, 2014; Albdour & Altarawneh, 2012), more studies are required to shed light on the CSR in the Jordanian context. While most of the previous CSR studies have been conducted in Western or European context, this study explores the issue in the context of a Middle East country (i.e. Jordan). According to Yaftian et al. (2013), individual investors being the main user was absent in studying the CSR and should be examined in the future research in the context of developing countries. Therefore, a study of this kind can help create new knowledge about perceive the importance of social responsibility among Jordanian individual investors.

Finally, this study will consider the potential influence of religiosity on perceptions of CSR which has not been well addressed in previous studies (Jamali & Sdiani, 2013). By testing religiosity as a moderator, the study can specify certain conditions under which any of independent variables in the current study predicts the perceived importance (Rose, Holmbeck, Coakley & Franks, 2004). Besides, although religion is considered having powerful influence over personal and social behavior of human beings, there is a dearth of research in this area (Alam, Mohd, & Hisham, 2011) with available studies focusing on Christian religiosity (Ahmad, Rahman, Ali, & Seman, 2008) rather than Islamic religiosity. Muslims differ in their level of religiosity (Darrag & El-Bassiouny, 2013). Therefore, Islamic religiosity helps to fill up this gap.

To sum, attitudes toward CSR, i.e., the perceived importance of corporate ethics and social responsibility provide a lens through which decisions are viewed (Singhapakdi et al. 1996). As such, this study also providing greater knowledge of the relationships between specific antecedents (i.e., six predictors; awareness of CSR practices, age, gender, education, income and place of residence) of perceived importance of social responsibility, as well as better understanding the factors that may influence the nature, intensity, frequency and duration of that perception (i.e., moderator; Islamic religiosity) (Vincenot, Collazo, Wallmo, & Koyama, 2015).

1.6.2 Practical Contribution

In addition to the theoretical contributions addressed above, this study makes the following major practical contributions. First, the findings may have important implications for company managers. Since firms seem to have a pressing need to understand and meet stakeholder information needs (Edgley, Jones, & Solomon, 2010), perhaps because firms need to better report information with a view to “inform or influence its target audience” (Mathews, 1984, p. 204), the results of this study may benefit the companies’ managers to realize the informational needs of the Jordanian Muslim individual investors.

Second, the CSR requirements under current regulatory in Jordan are insufficient (Suwaidan et al., 2004). Therefore, the result of this study will provide valuable guides to the regulatory body about the CSR information that Jordanian Muslim individual investors in ASE find most useful while arriving at an investment decision.

The findings that all four dimensions contribute to CSR awareness should help guide companies in their CSR reporting. Previous research showed that some Jordanian companies may include CSR information in their reports, but they only focused on a few dimensions (Abu-baker and Naser, 2000; Al-Farah & Al-Hindawi, 2011; Suwaidan et al., 2004). Thus, the results of this study suggest that such activities should be more wide ranging and contain content relevant to each dimension.

Moreover, when communicating CSR activities, managers are provided with a framework guiding their decisions upon which dimension to focus, given the varying knowledge levels attached to them and their perceived importance of social responsibility. Depending on their respective strategy, they are advised to consider placing differential weights on the perceptions of specific Jordanian Muslim individual investors groups defined by their demographic characteristics, awareness, and based on the level of religiosity when formulating their strategic plans.

Finally, since CSR disclosure is considered to be at a low level in developing countries such as Jordan (Al-Farah & Al-Hindawi, 2011; Suwaidan et al., 2004), perceived importance of information of this nature needs to be addressed (Jaffar, Selamat, Ismail & Hamzah, 2012). An acknowledged, shortage of research in this area in Jordan provides justification for the investigation of this issue. In this study, new empirical evidence regarding the relationship between perceived importance of CSR, individual DCs, awareness about CSR and religiosity of Muslim individual investors in a developing country, Jordan is provided.